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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07//08

1) Prime Minister's daily schedule (Nikkei)

North Korea problem:

2) President Bush when he meets Prime Minister Fukuda at the G-8 Summit will pledge close cooperation to work to resolve the abduction issue (Sankei)

3) Ambassador Schieffer meets abductee families, convinces Sakie Yokota the U.S. is "serious" about helping resolve the abduction issue (Sankei)

4) Schieffer tells the Yokotas and other abductee families the U.S. will put in every effort to help resolve the abduction issue (Nikkei)

5) The G-8 Summit in Hokkaido will take up weapons of mass destruction as theme, focusing especially on pressing the DPRK to abandon nuclear programs (Nikkei)

6) New testimony from former North Korean agent traces the life of Megumi Yokota during 1982-83, so far a missing period (Sankei)

7) Russian President Medvedev in interview says there is a chance for a resolution of the northern territory issue, hints at revision of policy line (Asahi)

8) As part of peace process, Japan to build agro-industrial park in Palestinian territory (Asahi)

9) Japan, U.S. to agree on Africa aid initiative at the upcoming G-8 Summit (Yomiuri)

10) Prime Minister Fukuda will fly to Beijing August 8 for the Olympics opening ceremony in an ASDF U-4 aircraft instead of official government plane (Sankei)

11) Komeito leader believes Fukuda may step down if his popularity in the polls continues to drop (Yomiuri)

12) DPJ reportedly broke and needs 10 billion yen to fight in the next election (Asahi)

Articles:

1) Prime Minister's schedule, July 2

NIKKEI (Page 2) (Full)
July 3, 2008

08:56

G-8 International Lawmakers' Conference on Population and Sustainable Development at a Tokyo hotel.

09:30

Met with Special Advisor Ito at the Kantei.

10:04

Met with Deputy Foreign Ministers Sasae and Kono, and Economic Affairs Bureau Director General Otabe.

11:00

Person of Merit for Safety Award ceremony. Then met with Deputy Chief Cabinet Secretary Futahashi.

13:31

Met with Chief Cabinet Secretary Machimura.

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13:59

Met with former Prime Minister Abe at the Members' Office Building. Abe: "I would like you to send a strong message for a settlement of the abduction issue." Fukuda: "Naturally, I am thinking of that."

14:17

Met with Futahashi, followed by Cabinet Intelligence officer Mitani.

15:05

Met with Hitotsubashi Graduate School Professor Watanabe, followed by Foreign Minister Koumura.

16:07

Met with Palestinian Minister of Planning Abdullah, Israeli Environment Protection Minister Ezra, Jordanian Foreign Minister Al-Bashir and Vice Foreign Minister Yabunaka.

17:20

Met with Agriculture Minister Wakabayashi.

18:17

Arrived at the official residence.

2) U.S. to cooperate closely with Japan for solution to abductions:
Bush

SANKEI (Page 6) (Full)
July 3, 2008

WASHINGTON-U.S. President Bush will vow to cooperate closely with Japan for a prompt solution to North Korea's abduction of Japanese nationals when he meets with Prime Minister Yasuo Fukuda on July 6 in Japan's northernmost main island of Hokkaido on the sidelines of the upcoming Group of Eight (G-8) summit to be held at Lake Toya there. National Security Council (NSC) Senior Director for Asian Affairs Wilder revealed this to reporters at the White House on July 1.

Japan and the United States last held a meeting of their leaders when Fukuda visited the United States last November. This is the second time for Fukuda and Bush to meet. Wilder indicated that Japan

and the United States would confirm cooperation within the framework of the six-party talks in order to urge North Korea to abandon its nuclear development. Meanwhile, Wilder also touched on criticism arising in Japan over the U.S. government's decision to remove North Korea from its terrorism blacklist. "The president will promise again to the Japanese people that he will never forget the issue of North Korean abductions," he said.

Fukuda and Bush are slated to meet the press after their meeting, when Bush is expected to play up the abduction issue. The two leaders and their wives will dine together on the evening of July 6. In the Japan-U.S. summit, Fukuda and Bush will talk about bilateral issues, such as moving U.S. Marines to Guam in the planned realignment of U.S. forces in Japan. In addition, they will also discuss how Japan and the United States should deal with international issues, such as the Zimbabwe problem and the Doha round of trade talks.

Bush, meeting the press yesterday, touched on climate change. On

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this issue, Bush revealed his perception, maintaining that it would be less effective for the G-8 nations alone to take action, given the rapid expansion of greenhouse gas emissions from China, India, and other newly emerging markets. With this, Bush repeated the U.S. government's position that setting a long-range global target for reducing greenhouse gas emissions needs a framework involving all major emitters.

3) Abductees' families meet U.S. Ambassador

SANKEI (Page 3) (Slightly abridged)
July 3, 2008

The U.S. government has started procedures for delisting North Korea as a state sponsor of terrorism, changing the circumstances surrounding the issue of North Korea's past abductions of Japanese citizens. In that environment, family members of abduction victims met yesterday with Ambassador Thomas Schieffer at his official residence. One family member emphasized: "We truly regret the U.S. delisting decision. We hope that the U.S. will not delist the North if there is no progress on the abduction issue." Meanwhile, the family members have begun to question the Japanese government's own approach to resolve the issue.

The Ambassador met four family members: Shigeo Iizuka, 70, chairman of the Association of the Families of Victims Kidnapped by North Korea, Shigeru Yokota, 75, Sakie Yokota, 72, and Teruaki Masumoto, 52.

The U.S. Embassy suddenly extended an unexpected invitation to the families on the evening of July 1. The Ambassador has long indicated great interest in the abduction issue. He once visited the site in Niigata where Megumi Yokota, then 13 years old, was kidnapped.

The Ambassador repeatedly quoted President Bush's remarks: "The U.S. promises to do its best to resolve the abduction issue;" and "The U.S. will never forget the abduction issue." Sakie commented after the meeting: "I felt he was serious about the issue, just as he used to be. I believe him."

Before meeting the Ambassador, Mr. and Mrs. Yokota gave a press conference at the Foreign Correspondent's Club of Japan. Speaking before the foreign press, Shigeru Yokota said: "We are asking the U.S. for cooperation but not to resolve the issue," posing a question about the Japanese government's capability to do such.

4) U.S. Ambassador in meeting with abductees' families: "We will do our best to resolve the issue"

NIKKEI (Page 38) (Full)
July 3, 2008

Family members of victims abducted by North Korean agents met with U.S. Ambassador to Japan Thomas Schieffer at his official residence

yesterday. The Ambassador sought their understanding regarding Washington's decision to delist North Korea as a terrorism sponsor, stating: "The abduction issue is important before and after the decision." Noting that North Korea's had withdrawn its assertion that the abduction issue had already been settled, Schieffer said: "This might be a small step forward, but we will do our best so that the issue is resolved."

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The meeting was held at the request of the Ambassador. Shigeo Iizuka, 70, elder brother of abduction victim Yaeko Taguchi (who went missing at the age of 22), told reporters after the meeting: "Although we regret the U.S. decision, the Ambassador said, 'Unless there had been this decision, not even the topic of the abduction issue would have ever come up'. We gained the impression that the U.S. is trying hard to help." Iizuka serves as chairman of the Association of the Families of Victims Kidnapped by North Koreans. Iizuka added: "We asked the Ambassador that the U.S. include progress on the abduction issue among the conditions for implementing the delisting decision."

Shigeru Yokota, 75, father of Megumi Yokota, another abduction victim (13 at that time) commented: "The Ambassador explained that the designation of the North as a terrorism sponsor is just one of many sanctions the U.S. has imposed on the North and is not a very big one. We will watch carefully now to see how things will develop."

Teruaki Masumoto, 52, younger brother of abduction victim Rumiko Masumoto (24 at that time), said disappointedly: "We had continued telling (the U.S.) in a strong tone that the delisting issue would affect the fate of the families of the abduction victims. It might be impossible to develop a shared understanding of this issue."

5) G-8 to urge N. Korea for complete nuke abandonment

NIKKEI (Page 2) (Full)
July 3, 2008

Japan will soon host this year's Group of Eight (G-8) summit at Lake Toya in its northernmost main island of Hokkaido, and the political agenda for the G-8 summit includes strengthening a multilateral regime for the nonproliferation of weapons of mass destruction. When it comes to nuclear weapons, the G-8 will call on all nuclear powers, including major countries, for transparent disarmament. Specifically, the G-8 summit will call for North Korea-which has now declared its nuclear programs-to abandon its nuclear development completely, and will step up international pressure. In addition to a summit declaration and a chair summary, the G-8 summit will also adopt a special antiterror document.

The G-8 leaders appreciate the fact that the United States, Britain, France, and Russia have been promoting disarmament while showing the number of nuclear weapons remaining in their arsenals. In this regard, the G-8 summit will confirm that its members will make further efforts for nuclear disarmament. This is also meant to constrain China, which is not necessarily pushing for disarmament in a visible way.

In addition, the G-8 leaders will discuss how to deal with North Korea, which has declared its nuclear programs, and with Iran, which is enriching uranium. The G-8 will also urge North Korea to give up its nuclear development completely through the six-party talks. However, Russia is cautious about clear pressure.

The G-8 summit will also feature casting a dragnet on biochemical weaponry. Its members will make still greater efforts for the safe control of materials that could be used to develop weapons. The G-8 has already established a regime that helps Russia dismantle its retired nuclear-powered submarines. In this connection, the G-8 summit will consider expanding its framework for former Soviet

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states, Southeast Asian countries, and Middle East countries.

The G-8 leaders will also talk about enhancing international cooperation against the threat of terrorism.

6) Former North Korean agent: Megumi Yokota was at guest center in 1982-1983

SANKEI (Top Play) (Excerpts)
July 3, 2008

Ruriko Kubota, Seoul

A former North Korean agent, who uses the pseudonym of Kang Yong Il, provided some details to the Sankei Shimbun July 2 on the life in North Korea of Megumi Yokota, who was kidnapped in 1977 at the age of 13. According to the 44-year-old former North Korean agent, who now lives in South Korea, Megumi lived for about one year from 1982 in a guest center for agents in Pyongyang where Kang lived as well, and he saw her again at a hospital for agents in 1986. Since the whereabouts of Megumi in 1981 and 1982 has been unknown, the focus is now on what the former North Korean agent has revealed about Megumi's life as an abductee. Kang also revealed that he had witnessed about 10 Japanese who had been abducted.

In 1997, former North Korea agent An Myong Jin was the first to provide testimony regarding Megumi. Kang was an agent of the International Department of the Workers' Party of Korea. He was arrested in a third country in the first half of the 1990s and transferred to South Korea.

Kang, who was selected as an agent of the International Department, was educated at an isolation facility in Pyongyang called "guest center" for about one year from 1982. During that period, he often saw a young Japanese woman who was living with a North Korean woman in the same room in the guest center. According to Kang, about 10 years later in South Korea he learned that the Japanese woman was Megumi.

When Kang was at the isolation facility, Megumi told him that she was Japanese and she would return to Japan in three years. Kang said that she was a person with a sunny disposition and wore Japanese-made training wear. There is also information that Megumi was told that if she mastered Korean, she would be able to go back to Japan where her mother lives, according to a Japanese source familiar with the abduction issue.

Kang met Megumi again in the summer of 1986 in the agent hospital called the 915 Guest Center in Pyongyang. Megumi came to Kan, and said: "Mr. Kang." They stood chatting. At that time, too, she was accompanied by a North Korea woman and she wore a black suit. She told him that she had undergone a gynecological examination. Kang said that her Korean was extremely fluent and that she was a beautiful woman.

Megumi told Kang that she was living in a guest center in the Samsok district and she left the hospital along with the North Korean woman in a Mercedes-Benz, according to Kan.

7) Russian president expresses willingness to resolve territorial issue with Japan: Possibility of modifying policy line

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ASAHI (Top Play) (Excerpts)
July 3, 2008

Russian President Medvedev on July 1 gave an interview to the Asahi Shimbun and other major dailies of the G-8 nations. Referring to the Northern Territories issue, Medvedev said, "Japan and Russia should confer on the issue, based on the various past statements and make progress on it." He indicated a strong desire to settle the issue, saying, "If we work in an amicable way without allowing our contacts

to slacken, we will have a chance to reach an agreement." Chances are that talks on the territorial issue, which are at a deadlock, will gain impetus, occasioned by the bilateral summit with Prime Minister Fukuda slated to be held at the G-8 summit in Hokkaido starting on July 7.

This is the first time for Medvedev to meet a Japanese news company since he took office in May. He also gave high scores to North Korea's submission of a nuclear declaration, based on the six-party agreement, and its blowing up of a nuclear facility, as a step in the right direction. He then indicated his government's stance, "Russia will continue to fulfill its obligations, including fuel assistance to Pyongyang, in order to bring about an overall normalization of the situation on the Korean Peninsula."

The president prior to the G-8 summit talked about Russia's internal affairs and the international situation, including foreign affairs, financial uncertainties and the energy issue, in an interview with news companies of G-8 member nations, which lasted for about an hour and a half. He also highly evaluated the present state of Japan-Russia relations, saying: "Prospects for bilateral trade are favorable as can be seen in the fact that the trade has topped 20 billion dollars. Both countries are also in agreement on their stances toward issues facing human beings, such as terrorism and climate change."

Outline of interview

? Japan and Russia should confer on and bring progress to the Northern Territories issue, based on the various past statements.
? Russia will continue to fulfill its obligations for the normalization of the Korean Peninsula.
? A new financial system is necessary, because various international economic systems created in the 1960s and 1970s are not functioning well.
? In order to settle the soaring energy price issue, it is necessary for consumer nations, producer nations and transporter nations to confer on the matter.
? There is no change in my policy priorities from the Putin administration. However, the accentuation of the implementation of policy will change.
? Tackle the corruption issue.

8) Japan to construct agricultural complexes in West Bank as part of assistance for Middle East peace process

ASAHI (Page 4) (Full)
July 3, 2008

Cabinet ministers from Israel, the Palestinian Authority, Jordan and Japan met yesterday, July 2, in Tokyo, in connection with Japan's initiative of creating a "Corridor for Peace and Prosperity" that would promote the economic independence of the Palestinians.

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Participants agreed to start building infrastructure needed for the construction of agricultural complexes, the key part of the concept, possibly in 2009.

The Japan-proposed concept is aimed at indirectly helping move the peace process forward through the use of economic assistance at a time when peace talks between Israel and the Palestinian Authority have stalled. The participants for the first time issued a press statement that included specific details.

According to the statement, the envisaged agricultural complexes will be constructed in the southern part of Jericho in the autonomous area governed by the Palestinians on the west bank of the Jordan River. The project envisages a future expansion into neighboring areas. Foreign Minister Koumura stated, "It would be possible to create up to 6,000 jobs, as the project progresses. The project will create jobs for people in the area and offer hopes for the future." The Tokyo meeting, joined by Israeli Environment Protection Minister Ezra, Palestinian Minister of Planning Abdullah and Jordanian Foreign Minister Al-Bashir, is the third ministerial,

following the one held in Jericho in August 2007.

Japan wants to show a stance of being engaged in the Middle East peace process as a country hosting the Lake Toya Summit in Hokkaido. However, tensions between Israel and the Palestinian Authority are rising due to Israel's move to expand its settlements. The autonomous area is split with the Fatah effectively ruling the West Bank and the Gaza Strip ruled by the Hamas. As such, the project only targets the West Bank.

9) Japan, U.S. to agree in upcoming bilateral summit to assist Africa in combating infectious diseases

YOMIURI (Page 2) (Abridged slightly)
July 3, 2008

The governments of Japan and the United States decided yesterday to jointly extend assistance to Africa in the field of healthcare, such as the eradication of cholera and endemic diseases. An agreement will be reached in a Japan-U.S. summit to be held on July 6, the day before the Group of Eight Lake Toya Summit begins. Prime Minister Yasuo Fukuda also will ask other G-8 members for cooperation during their talks on July 7.

Japan and the United States will jointly assist Africa in combating 14 neglected tropical diseases (NTD), such as cholera, dengue, and filarial disease, plus three major infectious diseases -- AIDS, tuberculosis, and malaria. Taking countermeasures is imperative in order to stem spreading diseases and high death rates in developing countries that are the results of poor hygiene.

Of all subjects to be discussed in the G-8 summit, President George W. Bush is said to place top priority on African issues. The President announced in February this year the United States would contribute 350 million dollars to a program providing medical supplies for eradicating the NTD. The policy to use the official development assistance budget to curb or eradicate the NTD is specified in the Yokohama Action Plan, adopted at the fourth Tokyo International Conference on African Development (TICAD) held in Yokohama in May.

Japan plans to make special efforts to nurture human resources by

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giving technological guidance to medical institutions, improve habitual patterns, and secure safe water. A senior Foreign Ministry official said: "The United States places an emphasis on the provision of medical supplies, while Japan aims at enhancing the system, such as technology and human sources. A combination of the two will add up to effective countermeasures against diseases."

10) Fukuda to leave for Beijing by ASDF U-4 multipurpose aircraft to attend Olympics' opening ceremony

SANKEI (Page 5) (Excerpts)
July 3, 2008

The government has considered using U-4 multipurpose aircraft, instead of government aircraft, as a means to transport Prime Minister Yasuo Fukuda to Beijing to attend the opening ceremony of the Beijing Olympics on Aug. 8, according to informed sources yesterday. The U-4 multipurpose craft is small-sized and economically efficient. It will be the first time for a prime minister to make use of U-4 aircraft for an overseas trip. It will also be the first time for Self-Defense Force (SDF) aircraft to land on Chinese land, excluding the special government plane belonging to the Air Self-Defense Force. The government planned to transport rescue goods by SDF aircraft for victims of the massive earthquake in Sichuan Province in China in May, but the plan was cancelled due to strong reactions from the Chinese public. SDF aircraft's landing on China is likely to be finally realized.

When a prime minister makes an overseas trip, the government usually flies a reserve plane in preparation against an accident. Based on this practice and also out of the need to send personnel

accompanying the prime minister, the government intends to fly two U-4 planes.

Fukuda is scheduled to leave Japan for Beijing by U-4 aircraft on the morning of Aug. 8, the day of the opening ceremony. After attending the ceremony on the night of the same day, he will leave Beijing in the early hours of the 9th. He needs to arrive at Oomura Airport in Nagasaki in time for the Nagasaki Atomic Bomb Victims Memorial Peace Prayer Ceremony to start at 10:40. He also plans to attend an atomic bomb victims' memorial ceremony in Hiroshima on the 6th.

Fukuda initially planned to hold bilateral meetings with Chinese President Hu Jintao and U.S. President Bush while in Beijing, but given the tight schedule, he has given up these meetings.

Usually, the government uses government aircraft - a Boeing-made jumbo jet (747) with about 150 seats - for overseas trips by the Emperor, the Empress, and the prime minister. In contrast, the U-4 plane has only 19 seats, so it is featured by freedom of movement and is economically efficient. The ASDF has five U-4 airplanes.

11) New Komeito's Kanzaki: "Prime Minister might have to resign if his support rates remain low"

YOMIURI (Page 2) (Abridged slightly)
July 3, 2008

Takenori Kanzaki, a former representative of the New Komeito, delivering a speech in Ichihara City, Chiba Prefecture, last night, indicated that Prime Minister Yasuo Fukuda might have to resign from

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the post before the next Lower House election depending on how the rate of support for his cabinet shifts. Kanzaki said: "We don't know when the next Lower House election will occur. It is also unknown whether the lower chamber will be dissolved under Prime Minister Fukuda after his support rates rise or whether it will be dissolved under the prime minister after Fukuda, who may have to resign due to sagging support ratings." Kanzaki has become the first ruling party heavyweight to publicly mention the possibility of Prime Minister Fukuda resigning.

In the wake of the LDP candidate's defeat in a Lower House Yamaguchi by-election in April, there is discontent in the New Komeito, with one lawmaker saying: "We cannot fight the next Lower House election while the prime minister's support rates are so low." Kanzaki's statement apparently reflected such a mood in his party.

12) DPJ lacks funds for summer; Lower House race requires 10 billion yen

ASAHI (Page 4) (Full)
July 3, 2008

The Democratic Party of Japan has been sending out messages about its lack of funds. Although President Ozawa has declared that the party will enter full-fledged election mode in summer, a party executive complained: "We don't have money. Things could go terribly wrong if a Lower House race were to begin now." But their complaints are so bold that some take the view that it is a DPJ ploy to lure Prime Minister Fukuda into an early Lower House dissolution.

The party's income centers on political subsidies that are distributed in accordance with the number of seats and votes collected. Its subsidies for fiscal 2008 come to approximately 11.8 billion yen. Some 10 billion yen is required as campaign funds. Because political subsidies are provided in four installments annually, only part of the subsidies is in the party's coffers. Secretary General Yukio Hatoyama, the "cash-box keeper," has implied that his party currently lacks funds, saying to his aide, "We will be fully ready when the term of the Lower House members expires (in September 2009)."

The DPJ is scheduled to throw a fund-raising party on July 14 with

the aim of raising 250 million yen. Some described the amount a small sum. The party is chronically suffering from a lack of money. Even President Ozawa jokingly said to Hatoyama, who has considerable wealth, over a dinner in early April, "Give us your assets."

SCHIEFFER